

AMENDED IN SENATE AUGUST 18, 1999
AMENDED IN ASSEMBLY MAY 28, 1999
AMENDED IN ASSEMBLY MAY 6, 1999
AMENDED IN ASSEMBLY APRIL 8, 1999
AMENDED IN ASSEMBLY MARCH 15, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 349

Introduced by Assembly Member Torlakson
(Coauthors: Assembly Members House, Leach, Oller, and
Thomson)
(Coauthors: Senators Leslie, Perata, and Rainey)

February 11, 1999

An act to amend Section 97.36 of the Revenue and Taxation Code, relating to local government finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 349, as amended, Torlakson. Property tax revenue allocations: Teeter Plan counties: revenue shift reduction.

Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally requires that each jurisdiction be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined. Existing property tax

law also reduces the amounts of ad valorem property tax revenue that would otherwise be annually allocated to the county, cities, and special districts pursuant to these general allocation requirements by requiring, for purposes of determining property tax revenue allocations in each county for the 1992–93 and 1993–94 fiscal years, that the amounts of property tax revenue deemed allocated in the prior fiscal year to the county, cities, and special districts be reduced in accordance with certain formulas. It requires that the revenues not allocated to the county, cities, and special districts as a result of these reductions be transferred to the Educational Revenue Augmentation Fund in that county for allocation to school districts, community college districts, and the county office of education.

Existing law modifies these reduction and transfer provisions by decreasing a “qualified county’s” reduction and transfer amount, attributable in the “designated fiscal year” to the reduction and transfer amount determined for that county in the 1993–94 fiscal year, by the amount of increased allocations made in the designated fiscal year to certain educational entities as a result of that county’s adoption of a specified alternative method for the distribution of ad valorem property tax revenues. Existing law defines a “qualified county” as a county that has first implemented this alternative distribution method in the 1994–95 fiscal year or any subsequent fiscal year, and defines the “designated fiscal year” as the first fiscal year in which the relevant “qualified county” first implemented this same alternative distribution method.

This bill would define a “qualified county” to also include a county that first implemented this specified alternative distribution method prior to the 1993–94 fiscal year, require the reduction and transfer relief of a newly included qualified county to be applied in ~~equal portions over a specified amount in each of 3~~ fiscal years, and would, in describing the amount of relief and the manner in which relief is to be implemented, substitute a specified fiscal year or years for the term “designated fiscal year.” This bill would, for each of the 1999–2000, 2000–01, and 2001–02 fiscal years, also limit the total amount of fiscal relief under these provisions to \$2,000,000.

This bill would specify that the fiscal relief provided to a qualified county does not affect the general allocation of property tax revenues to that county in succeeding fiscal years. By imposing new duties upon county auditors in the annual allocation of ad valorem property tax revenues, this bill would impose a state-mandated local program. This bill would also make additional nonsubstantive, technical, and clarifying changes.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 97.36 of the Revenue and
2 Taxation Code is amended to read:
3 97.36. (a) Notwithstanding any other provision of
4 this chapter, the total amount of ad valorem property tax
5 revenue that is allocated to a qualified county's
6 Educational Revenue Augmentation Fund, rather than
7 to that county, as a result of the reduction calculated for
8 that county pursuant to paragraph (1) of subdivision (a)
9 of Section 97.3 or its predecessor section shall, in
10 accordance with subdivisions (b) and (c) of this section,
11 be decreased in the specified fiscal year or fiscal years by
12 the amount of that county's supplemental school
13 allocation.
14 (b) For purposes of this section, the following
15 definitions apply:
16 (1) "Qualified county" means a county that first
17 implemented, either prior to the 1993–94 fiscal year or in
18 the 1994–95 or any subsequent fiscal year, the alternative
19 procedure for the distribution of property tax levies that
20 is authorized by Chapter 2 (commencing with Section
21 4701) of Part 8.

(2) (A) Subject to the limitation established by subparagraph (B), “supplemental school allocation” means both of the following:

(i) For a qualified county that first implemented the alternative distribution procedure described in paragraph (1) prior to the 1993–94 fiscal year, the additional amount of ad valorem property tax revenue that is allocated in that county for the 1999–2000 fiscal year to “qualifying school entities,” as defined in paragraph (5) of subdivision (a) of Section 97.3 or its predecessor section, as a result of that county having implemented that alternative distribution procedure.

(ii) For a qualified county that first implemented the alternative distribution procedure described in paragraph (1) in the 1994–95 fiscal year or any subsequent fiscal year, the additional amount of ad valorem property tax revenue that is allocated in that county, in the first fiscal year in which that county implements that alternative distribution procedure, to “qualifying school entities,” as defined in paragraph (5) of subdivision (a) of Section 97.3, as a result of that county implementing that alternative distribution procedure.

(B) For each of the 1999–2000, 2000–01, and 2001–02 fiscal years, the total amount of all supplemental school allocations calculated pursuant to this paragraph shall not exceed two million dollars (\$2,000,000). If for any of these fiscal years the total amount of supplemental school allocations that would otherwise be calculated pursuant to this paragraph exceeds two million dollars (\$2,000,000), the supplemental school allocation for each relevant qualified county shall be that portion of two million dollars (\$2,000,000) that corresponds to that county’s proportionate share of the larger total amount that would be calculated in the absence of a two million dollar (\$2,000,000) limit.

(c) The amount of the decrease required by subdivision (a) shall be applied in accordance with both of the following:

(1) For a qualified county that first implemented prior to the 1993–94 fiscal year the alternative procedure for

the distribution of property tax levies that is authorized by Chapter 2 (commencing with Section 4701) of Part 8, ~~one-third~~ in each of the 1999–2000, 2000–01, and 2001–02 fiscal years: *the applicable amount specified below:*

<i>County</i>	<i>Amount</i>
<i>Contra Costa</i>	\$1,089,775
<i>El Dorado</i>	280,609
<i>Modoc</i>	38,076
<i>Siskiyou</i>	120,923
<i>Solano</i>	470,617

(2) For a qualified county that first implemented in the 1994–95 fiscal year or any subsequent fiscal year the alternative procedure for the distribution of property tax levies that is authorized by Chapter 2 (commencing with Section 4701) of Part 8, the full amount in the fiscal year in which that county first implemented that alternative distribution procedure.

(d) Any decrease, or any portion thereof, implemented pursuant to subdivision (c) shall be disregarded in implementing subdivision (a) of Section 96.1 with respect to the subject qualified county in each fiscal year following the first fiscal year in which that decrease, or any portion thereof, is implemented pursuant to subdivision (c).

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because this act provides for offsetting savings to local agencies or school districts that result in no net costs to the local agencies or school districts, within the meaning of Section 17556 of the Government Code.